Black money in the country

5992 SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state,

(a) whether Government propose to make a fresh study to estimate the magnitude of black money in the country;

(b) if not, the reasons therefor; and

(c) the steps taken by Government to control black money in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) No, Sir. It is difficult to arrive at any veritiable estimate of Black Money. However, Government has been taking necessary legislative, fiscal and administrative measures, as deemed appropriate, from time to time to curb the generation and growth of black money. Rate of taxation has been progressively reduced and slabs of income have been progressively rationalised. This has also been done in the Budget presented by the Finance Minister in Parliament on 16.3.95. At the same time, Income-tax Act, 1961 contains a number of provisions aimed at curbing the generation of black money. These include, inter alia, provisions regarding compulsory maintenance and audit of accounts in appropriate cases under sections 44AA and 44AB, restrictions on cash transactions under section 40A (3), 269SS and 269T pre-emptive purchase of properties under Chapter XXC and provisions regarding penalties and prosecutions for punising tax defaulters. The Act also contains provisions regarding summons, surveys, searches and other investigations, to detect tax evasion. These provisions are resorted to in appropriate cases of tax evasion.

Bank finances locked up in sick Industrial Units

5993. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) what was the estimated bank finance locked up in sick industrial units as at the end of 1994;

(b) whether any time-bound programme has been formulated for taking necessary action in the matter; and

(c) if so, what are the full details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The Reserve Bank of India (RBI) has reported that based on the half yearly data received from the commercial banks as at the end of March, 1993 (latest available), an amount of Rs. 13134.44 crores was outstanding against sick small scale in industrial (SSI) units and sick|weak non-SSI units in the country,

(b) and (c) Detailed guidelines have been issued by RBI regarding formulation|implementation of rehabilitation packages in respect of sick|weak units (including sick SSI units) considered potentially viable for their revival. Rehabilitation packge inter alia, provides for funding of existing dues of banks and financial institutions with extended period for repayment thereof in a phased manner, interest concessions, grant of fresh term loans as also fresh working capital facilities. As regards non-SSI sick industrial companies. Board for Industrial and Financial Reconstruction (BIFR), a quasi-judicial body set up under the Sick Industrial Companies (Special Provisions) Act, 1985 (including sick PSUs) takes necessary action for de-